



**pactiv**   
**evergreen**



# INSPIRING SUSTAINABILITY LEADERSHIP

2019-2020 SUSTAINABILITY REPORT





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## CEO MESSAGE

# A Message from Our CEO

Dear Stakeholders,

I'm very pleased to introduce this sustainability report — the first compilation of our efforts across Pactiv Evergreen to deliver innovative products while protecting our planet's resources and valuing our people and the communities in which we operate.

This may be our first report, but sustainability certainly isn't new to our organization. For many years, we have been focused on finding ways to significantly reduce our company's environmental footprint while developing sustainable products that include key attributes, such as recycled and renewable inputs, reduced use of petroleum-based materials and reusability by consumers.

That said, we are focusing on our sustainability commitments as part of the recent integration of Evergreen Packaging into Pactiv. This report introduces our sustainability strategy and approach — including an aggressive new goal that, **by 2030, 100% of products will be made with recycled, recyclable or renewable materials.** In practice, this means ensuring that all of our products have at least one of our "Four R's": reduced use of petroleum-based materials; reusable by consumers; recycled materials and/or be recyclable; and renewable materials and/or be compostable.

This goal gives our nearly 15,000 team members a bearing to guide our innovation and commitment to sustainability. And it signals to our customers and other stakeholders that we are serious about doing our part to minimize our impact on the planet and its resources. Over the next five years, we're planning to invest more than \$450 million in our plants to support the development of new products that meet our Four R's along with other strategic initiatives.

Pactiv Evergreen has long been a leader in our industry, and I am committed to ensuring that we continue to demonstrate leadership while doing the right things for the planet, our people and our communities. Of course, there's always

more to do, which is why we're spending this next year exploring what new goals and targets we can set to further improve our sustainability performance, including developing goals to guide our greenhouse gas emissions and energy use reduction efforts.



As I write this letter, we are all straining under the extraordinary challenge of the COVID-19 pandemic. As an essential part of the food supply chain, we have kept our plants and warehouses open throughout the crisis. From the very beginning, we focused on taking care of our employees to keep them safe in our facilities, which included providing up to 14 days of paid leave if an employee needs to quarantine because of the COVID-19 virus.

I also write this letter during a time when the many recent examples of racial injustice are causing us all to pause and consider real solutions that lead to equality for all. Here at Pactiv Evergreen, valuing diversity is at the core of who we are. Not tolerating racism or discrimination of any kind is just the foundation, and we must continue to strive to be a diverse and inclusive organization. When this occurs, both our people and our business thrive.

At Pactiv Evergreen, we have much to be proud of, but also much more to do as we lead and inspire sustainability stewardship for ourselves and our industry. I hope you enjoy reading about our collective efforts and will join us on our sustainability journey.

Sincerely,

John McGrath  
Chief Executive Officer  
September 21, 2020

# Who We Are



**We are one of the largest manufacturers of food and beverage packaging products, supplying a broad and diversified mix of companies — from globally recognized powerhouse brands to local mom-and-pop stores.**

Our customers include foodservice and grocery retailers, distributors, food packers and processors, and beverage producers, as well as other paper and paperboard converters. We operate primarily in North America but also have facilities and customers around the globe.

Over the decades, we have undergone a series of strategic mergers, name changes and corporate realignments, all with an eye toward expanding our product portfolio and our customer base while securing our position as an industry leader. Most recently, we integrated Evergreen Packaging into Pactiv. For the last 10 years, Evergreen and Pactiv have been part of the same holding company but operated separately. Bringing together the two companies under the new “Pactiv Evergreen” name enables us to better leverage our strengths.

In blending Evergreen’s paper and paperboard manufacturing and converting expertise and its material science capabilities with Pactiv’s deep resources and expertise, we are able to create even more innovative products tailored for our customers with an eye toward the future. This unification also helps us integrate and advance our sustainability programs across our businesses.



**EMPLOYEES**  
OVER 15,000 EMPLOYEES



**PRODUCTS**  
MORE THAN 13,000  
PRODUCT SKUs



**GEOGRAPHY**  
FACILITIES IN 16 STATES  
AND 7 COUNTRIES



**PRODUCTION**  
53 MANUFACTURING PLANTS  
2 PAPER MILLS, 3 EXTRUSION PLANTS  
2 CARTON FILLING MACHINERY PLANTS



**DISTRIBUTION**  
26 WAREHOUSES  
8 DISTRIBUTION CENTERS



**MATERIALS**  
14 PRIMARY MATERIALS

**UNLESS OTHERWISE NOTED, DATA  
IN THIS REPORT IS FOR PACTIV AND  
EVERGREEN COMBINED.**



# What We Make

**We make innovative paper and packaging solutions used by millions of people every day, whether they are shopping in a supermarket, preparing food at home, getting take-out or grabbing a beverage at a coffee shop.**

Our large portfolio of products — nearly all made in the United States — includes food containers, tableware and cutlery, hot and cold cups, lids, wraps, meat and poultry trays, egg cartons, re-closable fresh beverage cartons, and paper and paperboard for conversion into a variety of paper products.

These items offer a number of benefits, from protecting, packaging and displaying food and beverages on retail shelves, to delivering safe, fresh and convenient meals and snacks on-the-go. Plus, our packaging can help to reduce food waste by preserving food, providing appropriately sized portions or transporting leftovers after a large meal.

Our wide range of products requires us to use an assortment of materials, including resins, bio-resins, plant- and paper-based fiber and aluminum. We regularly evaluate our use of these materials and exploring the use of new materials to better meet our customers’ needs and reduce our environmental footprint.



**DID YOU  
KNOW?**

**IN THE U.S.,  
WE ARE THE #1  
SUPPLIER TO:**



**4 OF THE 5 LARGEST  
FOODSERVICE DISTRIBUTORS**



**8 OF THE 10 LARGEST  
SUPERMARKET CHAINS**



**THE 3 LARGEST QUICK  
SERVICE RESTAURANT GROUPS**



**3 OF THE 4  
LARGEST DAIRIES**



**“Separately, Pactiv and Evergreen have already made significant contributions to reduce their footprints and improve environmental performance. Together, we’re looking forward to accelerating these efforts and amplifying our deep commitments to sustainability.”**

— Lynn Dyer, Chief Sustainability and Public Affairs Officer

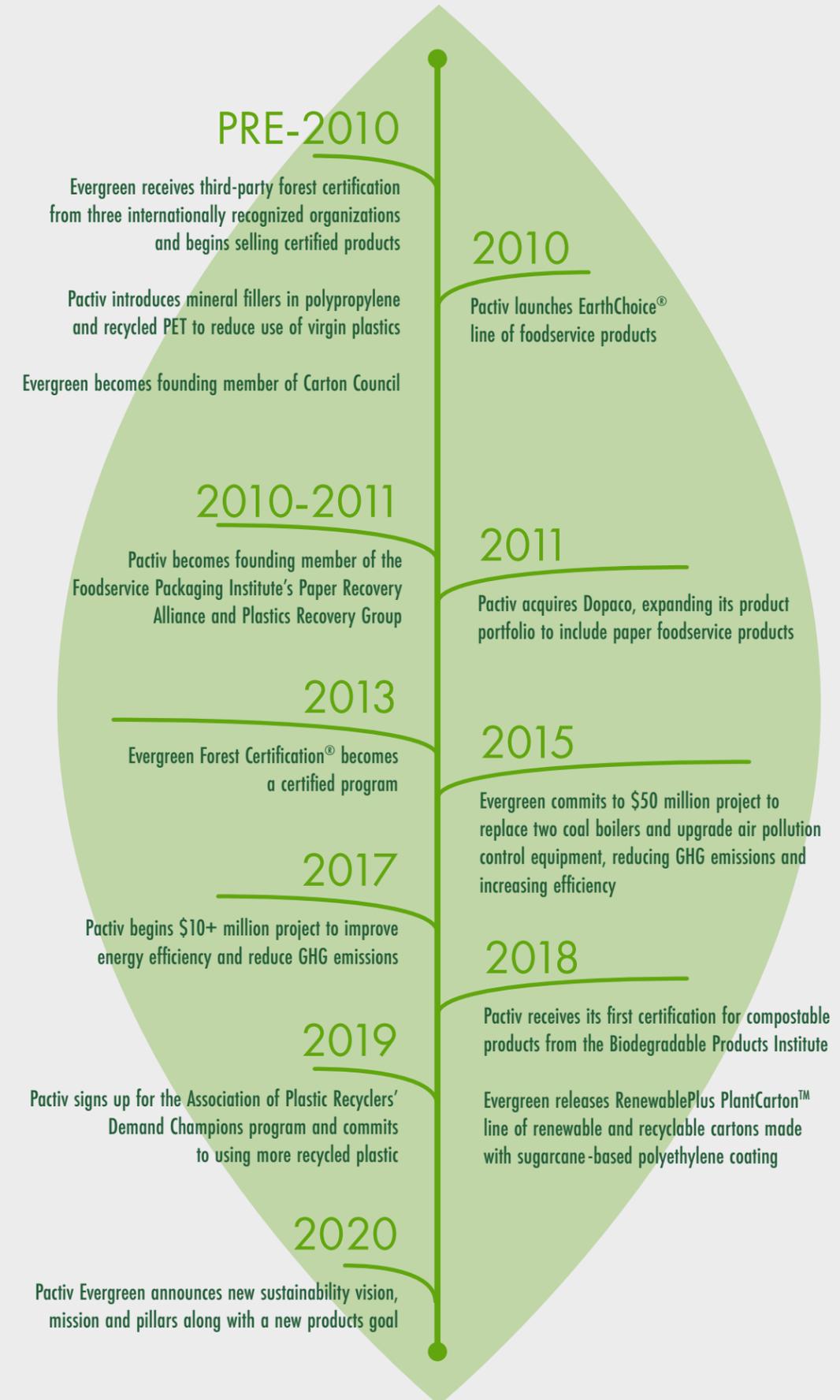
## Our Sustainability Strategy

**Both Pactiv and Evergreen have long been focused on sustainability. In 2020, as part of our corporate integration, we advanced our sustainability commitments with a new vision statement and mission, a trio of pillars — and a bold new products goal.**

These actions represent the latest stage in our journey to lead our industry and demonstrate by our actions that Pactiv Evergreen is a company that does the right things for the planet, for our people and for our communities.

Our next steps will be to conduct a materiality assessment to help us better understand our key sustainability issues, build out our strategy and develop additional goals. In formulating our goals, we are taking the time to evaluate our baseline performance, as well as our opportunities for improvement, and to set targets that are meaningful and scientifically based.

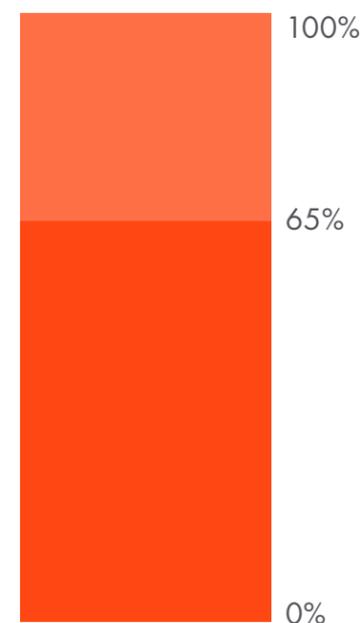
## SUSTAINABILITY THROUGH THE YEARS



OUR GOAL

**By 2030, 100% of our products will be made with recycled, recyclable or renewable materials.**

In 2019, approximately 65% of Pactiv Evergreen's net revenues were generated by products made from recycled, recyclable or renewable materials.



OUR SUSTAINABILITY VISION

**Lead and inspire sustainability stewardship**

OUR SUSTAINABILITY MISSION

**Provide innovative paper and products that deliver safe, fresh, convenient food and beverages while valuing our planet, people and communities**

OUR SUSTAINABILITY PILLARS



**PROTECT OUR PLANET'S RESOURCES**

- Reduce emissions and energy use
- Protect the sustainability of our forests
- Minimize water use
- Decrease waste going to landfill



**DELIVER SUSTAINABLE PRODUCTS ESSENTIAL TO CONSUMERS**

- Implement our Four R's approach (Reduce, Reuse, Recycle, Renew) to our materials and products
- Collaborate across the value chain to drive the Four R's
- Design innovative materials and products



**VALUE OUR PEOPLE AND COMMUNITIES**

- Champion a culture of safety at work and at home
- Attract, empower and retain the best team
- Embrace diversity and inclusion
- Support the communities in which we work and live

# Delivering Sustainable Products Essential to Consumers

The more than 13,000 products and materials we make deliver fresh, safe, and convenient food and beverages to consumers.

Our products help to reduce food waste by protecting foods and beverages during transport, extending product shelf-life and reducing the threat of contamination. Safety and convenience are more important than ever during a global pandemic that has imposed limits on dining and shopping options and increased the need for products that make take-out meals possible and guard against contamination.

Pactiv Evergreen offers the widest selection of food and beverage packaging products in North America, meeting the diverse needs of our customers.

We also offer a variety of paper and paperboard to be converted by others into consumer products.

Our EarthChoice brand of products help answer the call for sustainable packaging. These products are more sustainable because they incorporate at least one of the Four R's:

- Products that **reduce** the use of petroleum-based materials by incorporating other materials, such as minerals and plant-based starches
- Products that may be washed and **reused** by consumers
- Products that include post-consumer **recycled** materials and/or are **recyclable**
- Products that utilize **renewable** resources and/or are **compostable**



While Pactiv has had tremendous success with the EarthChoice lineup of products — and Evergreen Packaging brings a portfolio of renewable and recyclable products — we strive for more.

**That is why we are expanding our commitment to sustainable packaging with a goal to build the environmental attributes embodied in our Four R's into every single product we sell by 2030.**



## OFFERING PAPER PRODUCTS

Evergreen offers a wide selection of paper and paperboard for the paper converting industry. While we consume some of the fiber internally, we sell over 1 million tons of paper and paperboard every year that ultimately become envelopes, printing paper, shopping bags, cartons and other items made by Evergreen and other converters. Moreover, all of our paper is made from trees grown in forests where responsible forestry practices are followed. Expanding the use of those practices is a core part of our daily work. In the areas where Evergreen sources the wood for our paper products, we believe the overall rate of growth exceeds use.

## USING THE FOUR R'S TO INCREASE SUSTAINABILITY ACROSS OUR PRODUCT LIFECYCLE

Our Four R's approach zeroes in on four key sustainability drivers: reduce, reuse, recycle, renew. We're working to increase all of these attributes across our materials and products. The following are just some examples of how we are improving the sustainability of our products.



Our Mineral-Filled Polypropylene (MFPP) containers **use on average 50% less virgin resin** than standard polypropylene containers, replacing traditional plastics with mineral fillers that also improve strength and heat resistance.



Our EarthChoice Versa2Go™ microwaveable containers for delivery and take-out are **top rack, dishwasher-safe so they can be used again and again**. They also are made with 20% less plastic than our standard injection-molded containers.



Many of our polyethylene terephthalate (PET) products **use post-consumer recycled content**, a minimum of 25% for EarthChoice products. Using recycled content helps divert waste from landfills.



Beverage cartons can be **widely recycled** and turned into new products, such as office paper or building materials.



Evergreen's Sentinel™ Fully Renewable Ice Cream Board **uses a plant-based bio resin** polyethylene from sugarcane for ice cream packaging.

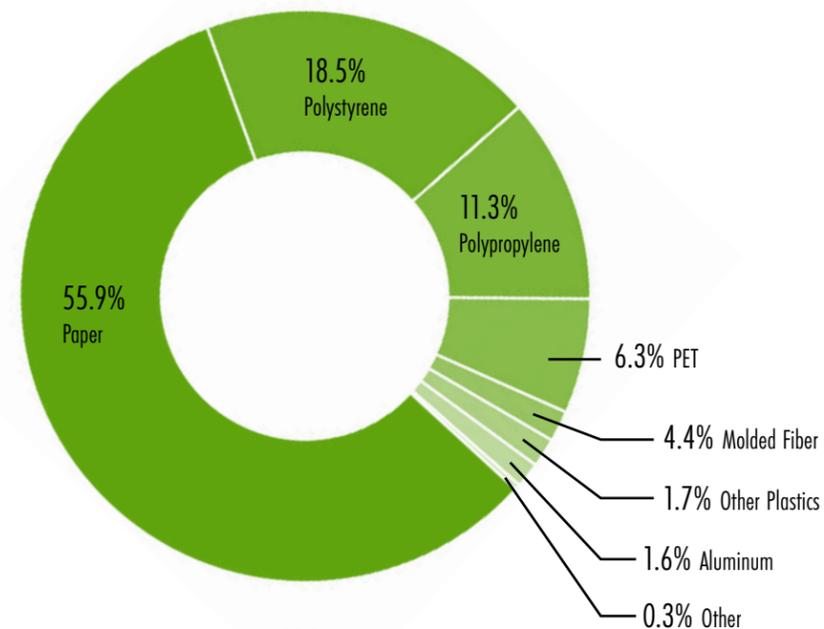
# Implementing Our Four R's Approach to Our Materials and Products

**Our new sustainable packaging goal focuses on the materials that go into our products where we have a high degree of control.**

We want consumers to reuse, recycle or compost our products when they are done with them, and we strive to design products for these end-of-life scenarios. We also work with cross-industry partnerships and diverse stakeholders to boost post-consumer recycling and composting and build a circular economy.

On the inputs side, we're increasing the use of recycled and renewable materials. Nearly all of Evergreen's materials are renewable (about 90%), and Pactiv has increased its use of recycled or renewable materials by more than 20% over the last five years. Products made with recycled content help reduce our dependence on virgin materials and divert valuable materials from landfills, while bio-based renewable materials help limit the use of finite resources, such as fossil fuels.

## PRIMARY MATERIALS WE USE\*



\*based on weight of materials used in 2019



### DID YOU KNOW?

In 2019, roughly 70% (by weight) of the materials we used in our packaging and paper products came from renewable and/or recycled sources, including over 300 million pounds of recycled paper and plastic.



## SUPPORTING A CIRCULAR ECONOMY

In its simplest definition, a fully circular economy aims to design waste out of the system so that everything society makes and consumes can be repurposed for other uses. At Pactiv Evergreen, we are helping work toward achieving a circular economy. We're increasing our use of recycled and renewable materials, reducing waste, minimizing the impacts of our facilities on the environment, and designing our products to be reusable, recycled or composted at end-of-life — all while meeting the needs of our customers and consumers.

Our EarthChoice strawless cold cup lids provide a good example of our work supporting a circular economy. The lids not only remove the need for a straw, but they are also made with a minimum of 25% post-consumer recycled PET and can be recycled after use in facilities that accept them.

## OUR USE OF POLYSTYRENE FOAM

We sell a variety of polystyrene (PS) foam products to meet the demands of customers that are looking for a cost-effective option, from meat processors requiring packing trays to foodservice companies in need of containers for their take-out meals.

We recognize, however, that we can use our size, our resources and our influence to improve the footprint of polystyrene, as well as create alternatives for customers dealing with the growing number of bans on the material.

We were a founding member of the Foodservice Packaging Institute's Foam Recycling Coalition, which to date has helped roughly 4 million people in the U.S. and Canada gain access to PS foam recycling through curbside and drop-off programs. And, we're exploring ways to support advanced technology that will allow recycled polystyrene to be reused in our products.



**In 2019, just under 15% of our revenue came from PS foam sales.**

Overall, our sales of PS foam have decreased approximately 15% (by weight) since 2015 as customers have shifted to alternative materials we offer, including PET, polypropylene, bio-resins, molded fiber and paper. With Evergreen Packaging now integrated into our operations, we are able to provide additional paper alternatives to PS foam.

# Designing Innovative Materials and Products

To meet growing demand for sustainable products, we are making significant investments in research and development — over \$20 million in 2019 alone.

At our state-of-the-art technology and innovation facilities, our teams are engineering new materials, improving the performance of our existing products, and commercializing more environmentally friendly packaging solutions based on our Four R's. In fact, for any new product we develop, sustainability is one of our primary assessment criteria, along with cost, efficiency, quality and customer needs.

Designing materials that advance Pactiv Evergreen's sustainability mission can be challenging. Our food and beverage packaging must meet stringent food safety regulations, be sturdy enough to protect the products within them and prevent leaks. Many of our offerings must also stand up to high temperatures (think hot case containers for roasted chickens and lids for steaming cups of coffee). "We work hard to develop a product that meets all that functionality, while keeping in mind the desired end-of-life, whether that's recycling or composting," says Frank Petlak, Vice President of Innovation and New Product Development.

We use a proprietary life cycle assessment (LCA) tool to understand the environmental impacts of many of the new products we develop, from the inputs of the materials to manufacturing efficiency through final disposal at end-of-life. Our customers are increasingly asking for renewable and compostable products, and we regularly evaluate opportunities to incorporate plant-based resins and paper instead of traditional plastic.

Some of our most recent innovations include:

- A suite of compostable plates, bowls and take-out boxes that are lined with a bio-based coating rather than a plastic barrier
- Tamper-evident, clear-hinged lid containers made with post-consumer recycled PET
- Compostable straws made from a proprietary blend of renewable materials



In 2019, we designed and launched, or will be launching in 2020, more than 70 new products that incorporate at least one of our Four R's.

# Collaborating with the Value Chain to Drive the Four R's

At Pactiv Evergreen, we believe that partnerships are the key to driving meaningful change. As just one manufacturer, we cannot by ourselves transform the complex patchwork of recycling and composting systems across North America. Therefore, we collaborate with various partners to expand opportunities for consumers to recycle or compost our products.



We actively engage in the Foodservice Packaging Institute and Carton Council, both of which are working with our industry's value chain to increase end-of-life recovery options. We have demonstrated our commitment to use more recycled plastic through our participation in the Association of Plastic Recyclers' Demand Champions program. We support the composting industry through the US Composting Council, and a growing number of our products are certified compostable by the Biodegradable Products Institute and approved by the Compost Manufacturing Alliance.

## PACTIV AND/OR EVERGREEN SUSTAINABILITY-FOCUSED PARTNERS

American Forest & Paper Association <sup>B</sup>

Appalachian Woodlands Alliance

Association of Plastic Recyclers/APR's <sup>B</sup> Foundation for Plastic Recycling

Biodegradable Products Institute <sup>B</sup>

Carton Council <sup>B</sup>

Foodservice Packaging Institute <sup>B</sup>

Forest Resource Association <sup>B</sup>

National Council for Air and Stream Improvement

Southeast Recycling Development Council <sup>B</sup>

Sustainable Packaging Coalition

US Composting Council

<sup>B</sup> = Board member



## EXPANDING CARTON RECYCLING

In 2009, Evergreen Packaging joined with other carton manufacturers and suppliers to launch the Carton Council, an industry organization committed to a shared goal: diverting cartons from landfills by expanding access to recycling and increasing the rate of recycling participation. Cartons are made from over 70% paper — a renewable resource made from trees — and, once recycled, can be transformed into new paper products, such as napkins, towels and building materials, like roof cover boards. By working with recycled paper end markets, recyclers and communities — and by supporting consumer outreach and education — the Carton Council has made remarkable progress over the last decade to help bring carton recycling to the majority of U.S. households.

|  | 2009 | 2019 |
|--|------|------|
| STATES WITH CARTON RECYCLING ACCESS                | 24   | 49   |
| HOUSEHOLDS WITH CARTON RECYCLING ACCESS (millions) | 20   | 71   |
| HOUSEHOLDS WITH ACCESS TO CARTON RECYCLING (%)     | 18   | 61   |

# Protecting Our Planet's Resources

**At Pactiv Evergreen, we value our planet's resources and are committed to using them wisely. We are working to lessen the environmental footprint of our operations by reducing GHG emissions and energy use, minimizing water use and decreasing waste.**

We are also working to protect the sustainability of our forests and trees — a key input to our paper-based products. And, we are working to optimize our use of other raw materials through innovations in materials and product designs to maximize the sustainability of our products throughout their life cycles.

Reducing our environmental impact is the right thing to do for our communities and the planet. And, it makes good business sense by reducing costs and risks and improving operational efficiency. Our comprehensive environmental management system helps us proactively address regulatory demands, track performance, ensure accountability and minimize the environmental impact of our operations. To drive performance improvements, we set internal environmental goals for each location. Key environmental performance metrics are reported regularly across the organization, including to senior leaders. We also consider environmental impacts as part of our capital project review process and require environmental training for relevant employees.



**DID YOU KNOW?**

All of our fiber at Evergreen meets the SFI® Fiber Sourcing standard, and about 20% of the virgin fiber in our paper products at Pactiv Evergreen comes from chain of custody forests that meet at least one of three internationally recognized standards.

**OUR SUSTAINABLE FIBER POLICY GOALS ARE TO PROMOTE AND ACHIEVE PRINCIPLES OF SUSTAINABLE FOREST MANAGEMENT INCLUDING:**

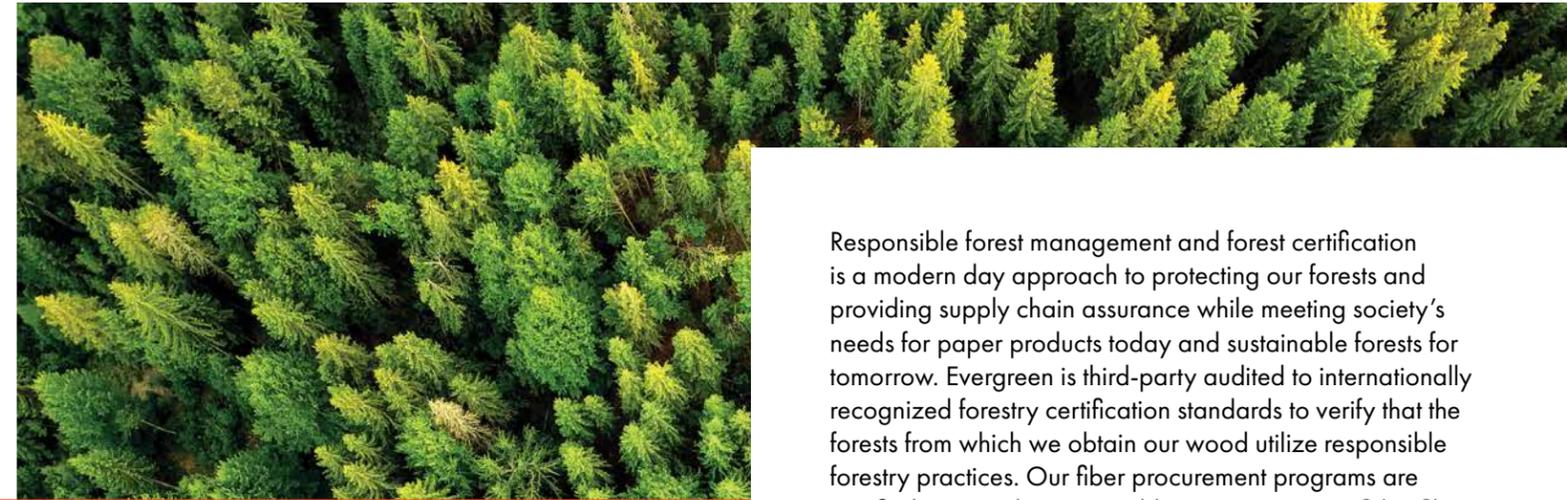


**Practicing sustainable forestry** that regenerates the forests and maintains productive capacity, protects soils, water resources, special sites, endangered and threatened species, and biological diversity



**Avoiding wood that is harvested illegally** or in violation of traditional and civil rights, or comes from harvests that would result in the conversion of forests to non-forest uses, such as residential or commercial development

# Protecting the Sustainability of Our Forests



Responsible forest management and forest certification is a modern day approach to protecting our forests and providing supply chain assurance while meeting society's needs for paper products today and sustainable forests for tomorrow. Evergreen is third-party audited to internationally recognized forestry certification standards to verify that the forests from which we obtain our wood utilize responsible forestry practices. Our fiber procurement programs are certified to meet the Sustainable Forestry Initiative® (SFI®) Fiber Sourcing standards. All our North American facilities have chain of custody certifications from independent parties, such as the Forest Stewardship Council® (FSC®-C016043), the Programme for the Endorsement of Forest Certification (PEFC™) and SFI.

However, because only about 25% of U.S. forests are certified by these third-party organizations, the bulk of our sustainable forestry work is focused on expanding the use of sustainable forestry practices — the same kinds of practices required by certification systems — across non-certified lands and forestry service providers. We are actively engaged with partners throughout our supply chain to provide training and other resources needed to implement sustainable forestry practices. In addition to annual third-party auditing, we perform our own audits and risk assessments to ensure that the wood and fiber we purchase from non-certified forests meets our stringent fiber procurement policy requirements.

All of this work helps us assure our customers and product end users that, collectively, we are reducing environmental and social impacts across our value chain and helping to protect forests for the future.

**Our success as a company depends on a sustainable supply of wood fiber. After all, over half of the materials by weight that go into our products use wood fiber as a key input. But that is only part of the reason we support the sustainability of our forests.**

Forests provide social and economic value to the communities in which we live and work. They offer sources of income for landowners and jobs for local residents, spaces for recreation and habitats for many species. They also help to mitigate the effects of climate change by providing long-term capture and sequestration of carbon dioxide, the primary greenhouse gas. To protect these forest values, we're committed to promoting responsible forest management practices and helping landowners obtain the resources they need to implement them.

Our sustainable fiber procurement policy, which is at the core of our efforts, requires us to purchase only sustainably produced wood fiber from sustainably managed forests. That's easy to say. But there is a lot behind it. We work with our supply chain, right down to loggers and landowners, to promote principles of sustainable forestry and ensure we have a supply of fiber that meets our requirements.



# Reducing GHG Emissions and Energy Use

**We recognize that climate change poses a serious threat to our planet. We are committed to doing our part to help address it by working to reduce the GHG footprint of our operations and by protecting forests, which provide an immense carbon capture and storage system when sustainably managed.**

Energy expenses are among our highest product manufacturing cost categories. Reducing energy use, which in turn reduces our GHG emissions, is the right thing to do for the planet and also helps us be more cost-efficient. We have a long history of reducing our energy use and GHG emissions, primarily by increasing the energy efficiency of our operations and by employing renewable energy. Since 2015, about half of our annual energy consumption has come from renewable sources including biomass, hydropower, wind and solar. Over the past three years, Pactiv has invested over \$10 million on energy efficiency measures including upgraded lighting, improved electricity metering and demand management software, and equipment efficiency programs for heating, air conditioning and ventilation, and compressed air systems. These improvements have reduced our energy use by more than 68.4 kilowatts per hour (kWh) and our GHG emissions by over 37,700 metric tons since 2017. Our strategically located regional distribution centers and PerfectCube efficient packaging system help reduce shipping-related emissions by maximizing the quantity shipped with each truckload, reducing the number of trips and the distance traveled.

We measure energy use and calculate GHG emissions at our paper mills, converting and manufacturing facilities, and warehouses. We track GHG emissions from our on-site activities

(Scope 1 emissions), as well as those from the electricity and co-generation facilities needed to run our facilities (Scope 2 emissions). And, we are in the process of collecting Scope 3 emissions data, which includes other indirect emissions like from the sourcing of raw materials and employee travel.

We assess our progress based on both our overall, or absolute, emissions and energy use and the energy and emissions intensity of our operations, which measures energy use per ton of product produced. While we ultimately want to reduce our absolute GHG emissions and energy use, emissions and energy intensity measures help us assess and improve the efficiency of our operations. We are currently working to enhance our data collection systems and better understand opportunities for improvement as part of an effort to develop new energy use and GHG reduction goals for Pactiv Evergreen.

## GHG AND ENERGY USE REDUCTION From 2015 through 2019, we have achieved:

- 10% REDUCTION** in absolute Scope 1 and 2 GHG emissions and GHG emissions intensity
- 12% REDUCTION** in absolute energy consumption
- 10% REDUCTION** in energy intensity

## EXAMPLES OF RENEWABLE ENERGY USE ACROSS OUR FACILITIES

**100%**

**GRANT PARK, ILL.**  
100% renewable energy from January 2020 through 2022 as a result of the Green-e Recs program

**>25%**

**CANANDAIGUA, N.Y.**  
Over 25% of the plant's electricity consumption is provided by renewable hydroelectric power

**92%**

**LONDON AND SUMMERSTOWN, ONTARIO**  
92% of total energy consumption is zero emissions or renewable from hydroelectric power

**63%**

**MOORHEAD, MINN.**  
63% of the plant's energy consumption is renewable through Moorhead Public Service's Bright Energy Choices Program from solar, hydroelectric and wind



## POWERING AND REDUCING ENERGY

For years, we have championed the expanded use of renewable energy. For example, 10 years ago Evergreen supported the development of western North Carolina's largest solar power array on a closed Evergreen landfill property in Haywood County. The solar project, which was developed with FLS Energy and Progress Energy, generates approximately 730,000 kWh of clean, renewable electricity every year for the public utility. We use other green energy technologies to reduce our environmental footprint. At Evergreen's two paper mills, about half of onsite electricity is generated by combined heat and power cogeneration systems. Cogeneration helps to reduce energy use and emissions by producing electricity and heating/cooling in a combined, onsite system that is more efficient than traditional utility-based electricity generation and transmission. These systems also support more efficient use of renewable energy.

In 2019, we added a new cogeneration system at our Zapopan plant in Mexico. The system generates up to 9.3 megawatts (MW) of electricity and 910 tons of chilled water, providing 90% of the plant's energy and chilled water needs. This allows the water chillers to use zero energy, reducing the plant's energy use by 500 megawatt hours (MWh) per month compared to a traditional chilling system. In addition, the system allows us to reuse the excess heat from generators in our PET plastic processing facility, reducing energy use by an additional 300 MWh per month.

### EVERGREEN LANDFILL SOLAR ARRAY



**Generates:**  
730,000 kWh renewable energy annually



**Equivalent to:**  
51 average homes powered



525 tons of CO<sub>2</sub> eliminated



100 vehicles removed from the road

## Minimizing Water Use

**We primarily use water for process operations, cooling and cleaning. The majority of our water use occurs at our two paper mills. Most of our water use is “non-consumptive use,” which means the water is treated and returned back to the environment after being used in our operations. We have systems in place to measure and manage water use, although the complexity of our water management systems varies depending on the facility.**

The vastly different water use profiles of our varying plants and facilities make it challenging to develop a comprehensive company-wide water goal. Nevertheless, we are focused on minimizing water consumption and impacts on the water cycle everywhere we operate. For example, many of our plants have water use reduction technologies in their cooling towers. This technology has helped us reduce water intensity by 20% or more at these facilities. While technology is essential, our teams' ingenuity and know-how are equally important in helping us improve efficiency. For example, our Moorhead, Minnesota, facility achieved significant improvements by retrofitting nozzles to use reclaimed water instead of fresh to clean water filters.



From 2016 to 2019, approximately 65% of the total waste generated from Pactiv facilities was delivered to operators of recycling centers rather than to landfills. And, at Pactiv's Mooresville, North Carolina, facility, we reduced the scrap rate in printed cups production from 2.4% to 1%.

## Decreasing Waste Going to Landfill

**Waste from our operations includes a variety of materials, categorized as municipal solid waste, industrial waste and hazardous waste. Most of our waste falls into that first category of “municipal solid waste,” which includes materials, such as scrap, damaged products, broken pallets, shrink wrap, etc.**

Reducing waste in our operations is an ongoing, company-wide pursuit. We reuse the significant majority of plastic and paper scrap back in manufacturing our own products and implement programs to reduce scrap in production as much as possible. The plastic or paper scrap that cannot be reused in the manufacturing process is taken by our recycling providers.





## Championing a Culture of Safety at Work and at Home

**The safety and well-being of our employees is one of our highest priorities and a continuous focus at all of our production facilities and in our business decisions and plans.**

We seek to eliminate all workplace injuries and have implemented a prevention-oriented strategy. All of our employees participate in proactive initiatives aimed at preventing injuries and promoting a world-class safety environment. This approach has helped us achieve safety performance much better than the manufacturing industry average.

Our “safety first” culture fosters accountability and is embedded within our Target Zero framework, which aspires to eliminate injuries and risky behaviors and improve overall Environmental, Health and Safety (EHS) performance. Target Zero views all injuries as preventable and urges employees to take responsibility for themselves and their colleagues.

Our injury rates have been trending downward over the last decade. Unfortunately, in 2019 we had an increase in injuries, partly due to a record number of new hires and retirements. We believe that a shared pursuit of an accident-free workplace



**Pactiv Evergreen’s injury rates are 3X better than the benchmarks for our industry.**

will continue to drive down injuries and improve overall safety engagement.

We consistently remind team members that the things they do to stay safe on the job should also be followed at home, whether that’s taking precautions during a home improvement project or practicing safe driving.

## Valuing Our People and Communities

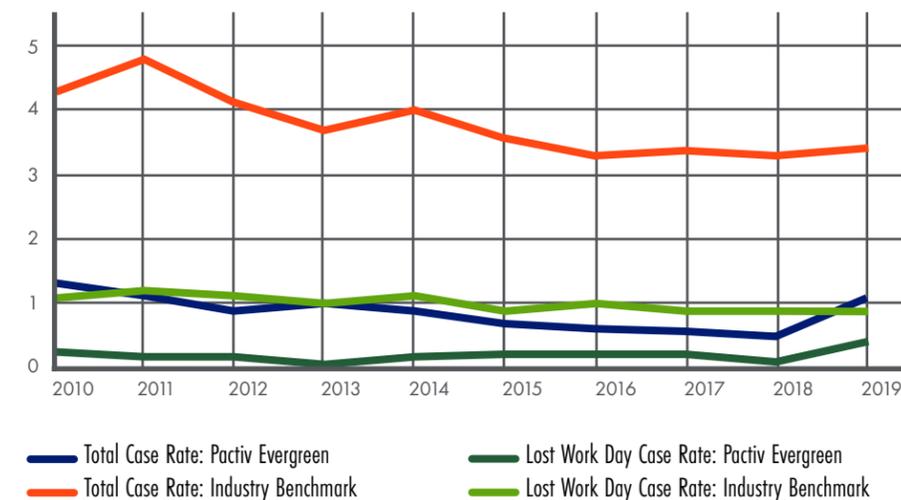
**Valuing people is at the core of who we are as a company — from our over 15,000 employees to those who live in the communities in which we operate.**

Our dedicated and talented teams of professionals share an ongoing commitment to excellence and are the driving force behind our success. Their collective dedication, creativity, passion and initiative enable us to innovate and grow.

### DID YOU KNOW?

About 20% of our U.S. employees have been with our company for more than 20 years. The average tenure is 10 years for Pactiv employees and 14 years for Evergreen. Plus, our longest serving employees have been with Pactiv for 52 years and Evergreen for 58 years.

### SAFETY PERFORMANCE



*Pactiv Evergreen data includes all U.S. locations (representing 85% of the workforce) and some international locations. The industry benchmarks for Total Case Rate (TCR) and Lost Work Day Injury Case Rate (LWDCR) are based on the U.S. Bureau of Labor Statistics’ incidence rates for plastics manufacturing, paper converting and paper mills, weighted to reflect the relative hours worked for each operation in each given year. Details on calculations provided upon request.*

# Attracting, Empowering and Retaining the Best Team

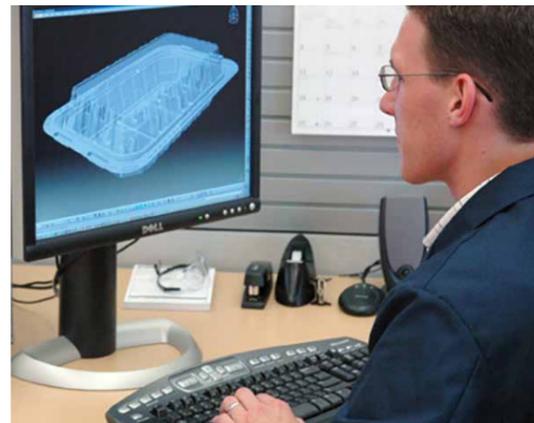
**We recognize the essential role our employees play in our continued success. We value diversity, innovative thinking, decisiveness and leadership skills — qualities that are essential in our fast-paced environment. We focus on promoting from within for rewarding careers and long-term growth.**

We offer a variety of professional development opportunities, including the Leadership Advisory Council (see “Developing Careers”) and our Mentorship program, an executive-sponsored initiative for employees who demonstrate strong leadership capabilities. By providing access to senior leaders, the Mentorship program gives participants a deeper understanding of all aspects of our business.

We also recruit new talent into our company through our Junior Military Officers Program, which seeks out members of the military who are transitioning into civilian life. The Junior Officers are hired into leadership roles within our Operations organization and complete an intensive Operations Leadership Program.

**“The more diverse and inclusive we are, the more our people — and our business — thrive.”**

— JD Bowlin, Chief Human Resources Officer



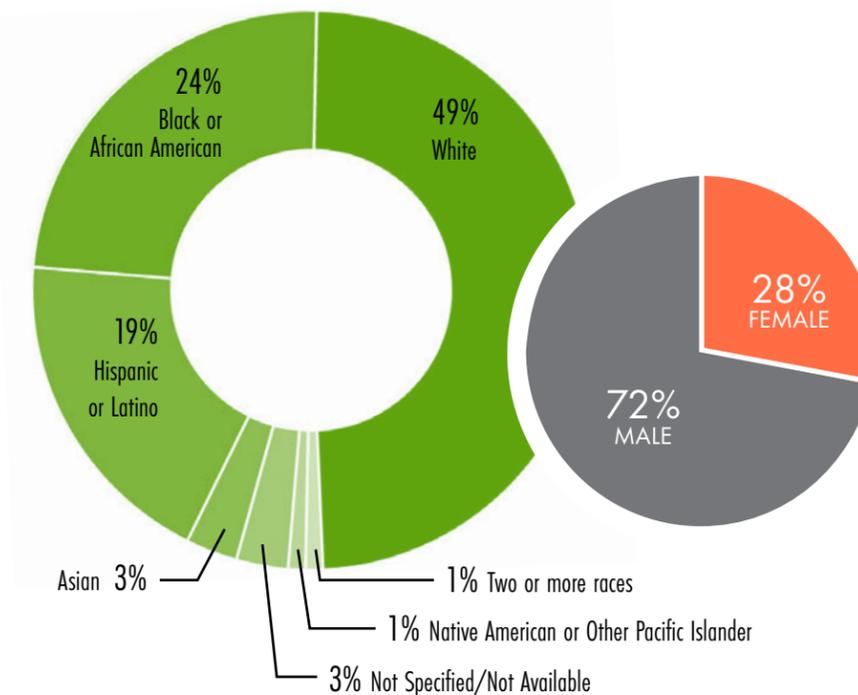
# Embracing Diversity and Inclusion

**We are committed to attracting and retaining a diverse workforce. Our culture is built on a variety of backgrounds, experiences, personalities and thought perspectives.**

In 2019, we hired a new Chief Human Resources Officer to revamp and accelerate our people strategy while also making it more inclusive and robust. In particular, we’re exploring ways to build our pipeline of talent so we can have greater representation of women and people of color in senior roles. While nearly 50% of our total U.S. employees are ethnic minorities, we recognize that we have an opportunity to increase diversity in leadership roles.

In addition to developing programs for attracting and advancing diverse talent, we soon plan to launch our first Employee Engagement Survey. Through this survey, we hope to gain insights into how our employees feel about working for the company and to identify opportunities for further improvement.

## 2019 DIVERSITY DATA (U.S. EMPLOYEES\*)



\* U.S. employees represent approximately 85% of our total workforce.

## DEVELOPING CAREERS

At Pactiv Evergreen, we help employees advance their careers for the long-term — which is one of the reasons our people tend to stay with us for many years.

Take Christine DeHaven, for example. When she joined Pactiv about 14 years ago in a human resources role, she never expected she would one day be managing one of our plants. Now Senior Director of Digital Manufacturing for the company, DeHaven exemplifies our efforts to develop careers and reward those who are willing to challenge themselves.

When DeHaven transitioned out of HR into a production manager position, she admits she had a lot to learn. We helped ensure she received the training and experience she needed. Before long, she was elevated to manager of our 600-plus employee plant in Bridgeview, Illinois, and most recently became part of a team driving digitization across our operations.

“The company recognizes individuals who are willing to take on something new and who show interest in trying another field,” DeHaven says. “It’s part of our culture — if you want to try something new, speak up. The right opportunity might be there for you.”

DeHaven found yet more opportunities at Pactiv through our Leadership Advisory Council (LAC), a two-year networking and development program for high-potential employees. The LAC offers the chance to connect with senior leaders and develop targeted action plans for cross-company improvements.

# Supporting the Communities in which We Work and Live

**Pactiv Evergreen encourages our employees to give back to the communities in which we live and work. We partner with many organizations that create stronger communities and more sustainable economies.**

Our plants have their own network of nonprofit organizations that they support at the local level. We know how personal some causes can be. In Canandaigua, New York, one of our mechanics helped launch Autism Awareness Month, sharing information and raising \$4,500 to support Happiness House where his son receives treatment. In Memphis, employees raised \$20,000 for St. Jude Children's Research Hospital where the brother of one of our employees beat cancer. In Bedford Park, Illinois, the *Pactivities* committee leads initiatives, such as Christmas toy donations with Angel Tree and book drives supporting women in prison.

In 2020, many of our efforts focused around helping communities fighting the COVID-19 pandemic. We donated thousands of cups, containers and other items to non-profits across the U.S. and Canada to feed healthcare workers, homeless people and others in need. We also provided more than 2 tons of plastic to make face shields.



*In Haywood County, North Carolina, Evergreen employees fill "Santa Pal" Christmas baskets with food for families in need (right). The Santa Pal tradition began at Evergreen nearly a century ago. A paper mill foreman and his crew filled a basket with food for a co-worker who was ill at Christmastime. The generosity has carried on and, in 2019, Santa Pal contributions from employees and our company totaled more than \$78,000.*

## Looking to the Future

**At Pactiv Evergreen, we recognize that sustainability is a journey. As we look forward to our company's future, we know we still have much to accomplish for ourselves, our customers, our communities and our planet.**

We anticipate spending the next year finalizing our combined Pactiv and Evergreen data, understanding the opportunities for improvement, building out our strategy, and developing new goals and targets.

We look forward to sharing our progress. In the meantime, we invite you to connect with us. Please email your comments, questions or concerns to [sustainability@pactivevergreen.com](mailto:sustainability@pactivevergreen.com).

For more information about our sustainability efforts, please visit [pactivevergreen.com/sustainability](https://pactivevergreen.com/sustainability).

### ABOUT THIS REPORT

This report covers our business and does not address the performance or operations of our suppliers, our contractors, or our partners, unless otherwise noted. All financial information is presented in U.S. dollars.

The goals, targets and projects described in this report are aspirational; as such, we cannot guarantee that these goals or targets will be met. Furthermore, data and metrics included in this report are non-audited, not prepared in accordance with generally accepted accounting principles, continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but may be subject to future revision.

This report uses certain terms, such as "material," to reflect our priorities. Used in this context, however, these terms should be not confused with the terms "material" and "materiality" as defined or construed by securities or other laws or as used in the context of financial statements and reporting.

This report is not comprehensive, and for that reason, should be read in conjunction with our recent prospectus, filings and statements that can be found at [pactivevergreen.com](https://pactivevergreen.com).

This report contains forward-looking statements. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance and our anticipated growth strategies, trends in our business and growth in the markets served by our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including those factors discussed under the caption entitled "Risk Factors" in our September 16, 2020 prospectus supplement. These risks include, among others, those set forth from time-to-time in our filings with the U.S. Securities and Exchange Commission (SEC), available through our website or through the SEC's Electronic Data Gathering and Analysis Retrieval (EDGAR) system at [sec.gov](https://sec.gov). Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, and we do not assume responsibility for the accuracy and completeness of any of these forward-looking statements. The forward-looking statements in the report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation and are under no duty to update these forward-looking statements or to update this report to reflect subsequent events.



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